

Message Text

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17

ACTION EB-07

INFO OCT-01 EUR-12 EA-07 IO-11 ISO-00 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

FEA-01 /111 W

----- 057545

R 201909Z JAN 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 8298

INFO AMEMBASSY BONN

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

USMISSION OECD PARIS

USMISSION GENEVA

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PASS TREASURY AND FRB

E.O. 11652 N/A

TAGS: EFIN, UK

SUBJECT: DEBT PROBLEMS OF THE DEVELOPING COUNTRIES

REF: STATE 3567; LONDON 17152

1. WE DISCUSSED POINTS CONTAINED REFTEL A WITH H.M.
TREASURY AND OVERSEAS DEVELOPMENT MINISTRY OFFICIALS JANU-
ARY 14 AND 19, OFFICIALS STATED HMG AGREES WITH U.S. PO-
SITION ON NEED TO OPPOSE AUTOMATIC DEBT RESCHEDULING AND
OTHER POINTS DISCUSSED REFTEL A AND STRONGLY ENDORSES
THE GENERAL THESIS. THEY QUESTIONED WHETHER OUR APPROACH
WAS STIMULATED BY USG PERCEPTION OF WEAKENING OF POSI-
TIONS BY ANY MF THE OTHER MAJOR CREDITORS. WE REPLIED
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THAT WE HAD SEEN NOTHING TO INDICATE THAT THIS WAS THE

CASE AND REITERATED THAT MESSAGE WAS "CONSISTENT WITH USG OBJECTIVE OF MAINTAINING FRANK DIALOGUE" ON THIS IMPORTANT ISSUE. UE HOPED HMG WOULD REPLY IN KIND.

2. IN ADDITION TO AGREEING WITH US EXPOSITION OF DEBT RESCHEDULING SITUATION, HMG OFFICIALS RAISED THREE POINTS. FIRST, THEY SUGGESTED THAT DIRECT APPROACHES TO LDCS WHO HAVE SHOWN SYMPATHY TOWARD "CREDITWORTHINESS" ARGUMENTS MIGHT BE USEFUL IN CORRECTING ANY MISINTERPRETATION OF CREDITOR COUNTRIES' POSITIONS AND SOLIDARITY CAUSED BY WELL PUBLICIZED VIEWS OF THE NETHERLANDS AND SWEDEN. ON PERSONAL BASIS, HM TREASURY OFFICIAL ALSO SUGGESTED THAT DISCUSSIONS AMONG CONSENSUS GROUP OF MAJOR CREDITORS MIGHT PROFITABLY TAKE PLACE IN OECD FORUM SUCH AS TWP OF EPC, WHICH HAS INTEREST IN OVERALL LDC DEBT POSITIONS. THIS WOULD PROVIDE BROADER AND MORE ENCOMPASSING CONTEXT FOR DISCUSSION THAN THE DAC. FINALLY, ODM OFFICIALS REITERATED THEIR OFT-STATED QUESTIONS ABOUT USG POLICY ON DEBT RELIEF FOR INDIA. "HOW CAN USG EXPECT LDCS TO ACCEPT 'CASE BY CASE' PRINCIPLE WHEN US REFUSES TO EXTEND IT TO INDIA?"

3. BEYOND THIS, UK OFFICIALS DID NOT HAVE ANY FURTHER VIEWS ON HOW TO PROCEED IN CIEC AND UNCTAD, EXCEPT TO STRESS CASE-BY-CASE APPROACH AND TO EXPECT SOME ACRIMONIOUS SESSIONS.

SPIERS

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Message Attributes

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Concepts: MEETING AGENDA, LESS DEVELOPED COUNTRIES, COMMITTEE MEETINGS, GOVERNMENT DEBTS, DEBT REPAYMENTS
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Draft Date: 20 JAN 1976
Decaption Date: 01 JAN 1960
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Disposition Approved on Date:
Disposition Authority: morefirh
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Disposition Date: 28 MAY 2004
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